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STATE FOR WHA/CAN AND EEB/CIP/BA T FINTON STATE PLEASE PASS USTR FOR J MELLE, M SULLIVAN, AND C HINCKLEY

E.O. 12958: N/A

TAGS: ECON EIND ETRD ECPS CA

SUBJECT: CANADA'S REPSONSE TO 1377 TELECOM TRADE AGREEMENTS

REVIEW

REF: STATE 3689

(SBU) On January 29 econoff shared the 1377 report public comments concerning Canada with Kathy Fisher, Director of International Telecommunication Policy and Coordination, Industry Canada, Louis LePage, Manager of Telecommunications Technology and Special Projects, Industry Canada, and Jim MacKenzie, Senior Policy Advisor, International Telecommunications Policy and Coordination, Industry Canada. MacKenzie pointed out that in years past Canada has generally declined to comment for the 1377 process. However, this year the Government of Canada wanted to raise two issues. First, LePage pointed out that although the Minister of Industry issued an "order in council" calling on Canada to rely on market forces to a greater extent, he never created a formal policy proposal calling for the relaxation of rules in favor of guidance from market forces. Second, LePage wanted to be certain that the authors of the 1377 report are aware of the Canadian Competition Policy Review Panel (CPRP). The CPRP was launched on July 12, 2007 and charged with reviewing Canada's competition and foreign investment policies in six sectors, including telecom and broadcasting. The Panel's report and recommendations are due on June 30, 2008. LePage said that it is not yet known what the Panel will recommend, but it is likely that they will comment on foreign ownership restrictions in the telecom sector. The submissions to this Panel can be read at www.ic.gc.ca/epic/site/cprp-gepmc.nsf/en/h 00030e.html .

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